



MEMORANDUM

Date Issued: June 1, 2005 Report No. SEDC 05-003

Meeting of: June 7, 2005

To: Chair and Members of the Redevelopment Agency

From: Carolyn Y. Smith, President

Subject: Approval of a Fourth Amendment to the Agreement for Consulting Services with Keyser Marston Associates, Inc. for Economic Consulting Services and Amend the Fiscal Year 2005 Southeastern Economic Development Corporation Project Budget.

Reference: Approval of the Third Amendment to the Agreement for Consulting Services between Keyser Marston Associates, Inc., and the Southeastern Economic Development Corporation - Approved by the Redevelopment Agency on September 14, 2004.

SUMMARY

Staff Recommendation – That the Redevelopment Agency of the City of San Diego (Agency): (1) Approves the Fourth Amendment to the Agreement for Consulting Services between Keyser Marston Associates, Inc. (KMA) and Southeastern Economic Development Corporation (SEDC) in an amount not to exceed \$200,000 for a total compensation not to exceed \$834,000; and (2) Amends the Fiscal Year 2005 SEDC Project Budget in the amount of \$200,000 to provide funding for the consulting services.

Other Recommendations – At its meeting of January 26, 2005, the SEDC Board of Directors voted to recommend to the Agency approval of the Fourth Amendment to the Agreement with KMA and amend the FY 2004/05 SEDC Project Budget in the amount not to exceed \$200,000.

Fiscal Impact – Funds for the \$200,000 amendment of the FY 2005 SEDC Project Budget consist of a combination of land sale proceeds, tax allocation bond proceeds and tax increment revenue.

BACKGROUND

KMA has provided economic consulting services for SEDC under the current contract since 1999. There have been three amendments to the contract in 2000, 2002 and 2004 for a total amount not to exceed \$634,000.

KMA has participated in the analysis documentation for projects providing affordable housing, have assisted in the amendment of the Central Imperial and Southcrest Redevelopment Project Areas and participated in numerous complex development negotiations.

DISCUSSION

The proposed Fourth Amendment to the Agreement in the amount of \$200,000 would provide the funding necessary to conduct services for projects which are at various stages of negotiations and/or development.

The scope of services for this amendment will include completion of the economic feasibility study necessary for the Imperial Avenue Corridor Master Plan; participation in real estate negotiations; preparation of certain fiscal analysis for certain residential projects as well as the coordination and preparation of documents required to amend existing redevelopment plans.

The consulting services provided by KMA are part of the team approach that has resulted in SEDC's successful completion of various redevelopment projects, including the 30-acre Imperial Marketplace Retail Center, the redevelopment of the 66-acre 252 Corridor (100 new single-family homes), the U.S. Postal Service facility located in Valencia Business Park, the development agreement with Market Creek Plaza and numerous residential developments.

CONCLUSION

In fiscal year 2005/06, SEDC will distribute a Request for Qualifications (RFQ) for economic/real estate consulting services. SEDC sends out RFQs every three to five years to secure new proposals from companies interested in performing our various consultant services.

Submitted by:
Sherry Brooks
Assistant Projects Coordinator

Approved by
Carolyn Y. Smith
President

CYS:kk

Attachment: Fourth Amendment to an Agreement for Consulting Services with Keyser Marston Associates, Inc.